

REFERENCE TITLE: state capitol restoration recapture district

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2270

Introduced by
Representative Crump

AN ACT

AMENDING TITLE 41, CHAPTER 8, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1366; AMENDING SECTION 42-5029, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5030.02; AMENDING TITLE 48, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 39; RELATING TO STATE CAPITOL CENTENNIAL RESTORATION AND ECONOMIC RECAPTURE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 41, chapter 8, article 4, Arizona Revised Statutes,
3 is amended by adding section 41-1366, to read:

4 41-1366. State capitol centennial restoration trust fund

5 A. THE STATE CAPITOL CENTENNIAL RESTORATION TRUST FUND IS ESTABLISHED
6 CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 42-5030.02, LEGISLATIVE
7 APPROPRIATIONS, GIFTS, GRANTS AND OTHER REVENUES AS AUTHORIZED BY LAW.

8 B. THE LEGISLATIVE GOVERNMENTAL MALL COMMISSION SHALL ADMINISTER THE
9 FUND. ON NOTICE FROM THE CHAIRMAN OF THE COMMISSION, THE STATE TREASURER
10 SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND
11 MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE
12 FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
13 APPROPRIATIONS.

14 C. THE MONIES IN THE FUND ARE SUBJECT TO APPROPRIATION SOLELY FOR THE
15 PURPOSE OF THE RESTORATION, RENOVATION, CONSTRUCTION, RECONSTRUCTION,
16 IMPROVEMENT AND MAINTENANCE OF THE STATE CAPITOL BUILDING, AS DEFINED IN
17 SECTION 41-790, INCLUDING THE COSTS OF INFRASTRUCTURE, IMPROVEMENTS, REAL AND
18 PERSONAL PROPERTY, ENGINEERING AND ARCHITECTURAL SERVICES AND FINANCING, AND
19 OTHER CAPITAL COSTS AND ASSOCIATED APPURTENANCES.

20 Sec. 2. Section 42-5029, Arizona Revised Statutes, is amended to read:

21 42-5029. Remission and distribution of monies; definition

22 A. The department shall deposit, pursuant to sections 35-146 and
23 35-147, all revenues collected under this article and articles 4, 5 and 8 of
24 this chapter pursuant to section 42-1116, separately accounting for:

25 1. Payments of estimated tax under section 42-5014, subsection D.

26 2. Revenues collected pursuant to section 42-5070.

27 3. Revenues collected under this article and article 5 of this chapter
28 from and after June 30, 2000 from sources located on Indian reservations in
29 this state.

30 4. Revenues collected pursuant to section 42-5010, subsection G and
31 section 42-5155, subsection D.

32 B. The department shall credit payments of estimated tax to an
33 estimated tax clearing account and each month shall transfer all monies in
34 the estimated tax clearing account to a fund designated as the transaction
35 privilege and severance tax clearing account. The department shall credit
36 all other payments to the transaction privilege and severance tax clearing
37 account, separately accounting for the monies designated as distribution base
38 under sections 42-5010, 42-5164, 42-5205 and 42-5353. Each month the
39 department shall report to the state treasurer the amount of monies collected
40 pursuant to this article and articles 4, 5 and 8 of this chapter.

41 C. On notification by the department, the state treasurer shall
42 distribute the monies deposited in the transaction privilege and severance
43 tax clearing account in the manner prescribed by this section and by sections
44 42-5164, 42-5205 and 42-5353, after deducting warrants drawn against the
45 account pursuant to sections 42-1118 and 42-1254.

1 D. Of the monies designated as distribution base the department shall:
2 1. Pay twenty-five per cent to the various incorporated municipalities
3 in this state in proportion to their population to be used by the
4 municipalities for any municipal purpose.
5 2. Pay 38.08 per cent to the counties in this state by averaging the
6 following proportions:
7 (a) The proportion that the population of each county bears to the
8 total state population.
9 (b) The proportion that the distribution base monies collected during
10 the calendar month in each county under this article, section 42-5164,
11 subsection B, section 42-5205, subsection B and section 42-5353 bear to the
12 total distribution base monies collected under this article, section 42-5164,
13 subsection B, section 42-5205, subsection B and section 42-5353 throughout
14 the state for the calendar month.
15 3. Pay an additional 2.43 per cent to the counties in this state as
16 follows:
17 (a) Average the following proportions:
18 (i) The proportion that the assessed valuation used to determine
19 secondary property taxes of each county, after deducting that part of the
20 assessed valuation that is exempt from taxation at the beginning of the month
21 for which the amount is to be paid, bears to the total assessed valuations
22 used to determine secondary property taxes of all the counties after
23 deducting that portion of the assessed valuations that is exempt from
24 taxation at the beginning of the month for which the amount is to be paid.
25 Property of a city or town that is not within or contiguous to the municipal
26 corporate boundaries and from which water is or may be withdrawn or diverted
27 and transported for use on other property is considered to be taxable
28 property in the county for purposes of determining assessed valuation in the
29 county under this item.
30 (ii) The proportion that the distribution base monies collected during
31 the calendar month in each county under this article, section 42-5164,
32 subsection B, section 42-5205, subsection B and section 42-5353 bear to the
33 total distribution base monies collected under this article, section 42-5164,
34 subsection B, section 42-5205, subsection B and section 42-5353 throughout
35 the state for the calendar month.
36 (b) If the proportion computed under subdivision (a) of this paragraph
37 for any county is greater than the proportion computed under paragraph 2 of
38 this subsection, the department shall compute the difference between the
39 amount distributed to that county under paragraph 2 of this subsection and
40 the amount that would have been distributed under paragraph 2 of this
41 subsection using the proportion computed under subdivision (a) of this
42 paragraph and shall pay that difference to the county from the amount
43 available for distribution under this paragraph. Any monies remaining after
44 all payments under this subdivision shall be distributed among the counties
45 according to the proportions computed under paragraph 2 of this subsection.

1 4. After any distributions required by sections 42-5030, 42-5030.01,
2 42-5030.02, 42-5031, 42-5032 and 42-5032.01, and after making any transfer to
3 the water quality assurance revolving fund as required by section 49-282,
4 subsection B, credit the remainder of the monies designated as distribution
5 base to the state general fund. From this amount:

6 (a) The legislature shall annually appropriate to:

7 (i) The department of revenue sufficient monies to administer and
8 enforce this article and articles 5 and 8 of this chapter.

9 (ii) The department of economic security monies to be used for the
10 purposes stated in title 46, chapter 1.

11 (iii) The firearms safety and ranges fund established by section
12 17-273, fifty thousand dollars derived from the taxes collected from the
13 retail classification pursuant to section 42-5061 for the current fiscal
14 year.

15 (b) The state treasurer shall transfer to the tourism fund an amount
16 equal to the sum of the following:

17 (i) Three and one-half per cent of the gross revenues derived from the
18 transient lodging classification pursuant to section 42-5070 during the
19 preceding fiscal year.

20 (ii) Three per cent of the gross revenues derived from the amusement
21 classification pursuant to section 42-5073 during the preceding fiscal year.

22 (iii) Two per cent of the gross revenues derived from the restaurant
23 classification pursuant to section 42-5074 during the preceding fiscal year.

24 E. If approved by the qualified electors voting at a statewide general
25 election, all monies collected pursuant to section 42-5010, subsection G and
26 section 42-5155, subsection D shall be distributed each fiscal year pursuant
27 to this subsection. The monies distributed pursuant to this subsection are
28 in addition to any other appropriation, transfer or other allocation of
29 public or private monies from any other source and shall not supplant,
30 replace or cause a reduction in other school district, charter school,
31 university or community college funding sources. The monies shall be
32 distributed as follows:

33 1. If there are outstanding state school facilities revenue bonds
34 pursuant to title 15, chapter 16, article 7, each month one-twelfth of the
35 amount that is necessary to pay the fiscal year's debt service on outstanding
36 state school improvement revenue bonds for the current fiscal year shall be
37 transferred each month to the school improvement revenue bond debt service
38 fund established by section 15-2084. The total amount of bonds for which
39 these monies may be allocated for the payment of debt service shall not
40 exceed a principal amount of eight hundred million dollars exclusive of
41 refunding bonds and other refinancing obligations.

42 2. After any transfer of monies pursuant to paragraph 1 of this
43 subsection, twelve per cent of the remaining monies collected during the
44 preceding month shall be transferred to the technology and research
45 initiative fund established by section 15-1648 to be distributed among the

universities for the purpose of investment in technology and research-based initiatives.

3. After the transfer of monies pursuant to paragraph 1 of this subsection, three per cent of the remaining monies collected during the preceding month shall be transferred to the workforce development account established in each community college district pursuant to section 15-1472 for the purpose of investment in workforce development programs.

4. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, one-twelfth of the amount a community college that is owned, operated or chartered by a qualifying Indian tribe on its own Indian reservation would receive pursuant to section 15-1472, subsection D, paragraph 2 if it were a community college district shall be distributed each month to the treasurer or other designated depository of a qualifying Indian tribe. Monies distributed pursuant to this paragraph are for the exclusive purpose of providing support to one or more community colleges owned, operated or chartered by a qualifying Indian tribe and shall be used in a manner consistent with section 15-1472, subsection B. For the purposes of this paragraph, "qualifying Indian tribe" has the same meaning as defined in section 42-5031.01, subsection D.

5. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, one-twelfth of the following amounts shall be transferred each month to the department of education for the increased cost of basic state aid under section 15-971 due to added school days and associated teacher salary increases enacted in 2000:

- (a) In fiscal year 2001-2002, \$15,305,900.
- (b) In fiscal year 2002-2003, \$31,530,100.
- (c) In fiscal year 2003-2004, \$48,727,700.
- (d) In fiscal year 2004-2005, \$66,957,200.
- (e) In fiscal year 2005-2006 and each fiscal year thereafter, \$86,280,500.

6. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, seven million eight hundred thousand dollars is appropriated each fiscal year, to be paid in monthly installments, to the department of education to be used for school safety as provided in section 15-154 and two hundred thousand dollars is appropriated each fiscal year, to be paid in monthly installments to the department of education to be used for the character education matching grant program as provided in section 15-154.01.

7. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, no more than seven million dollars may be appropriated by the legislature each fiscal year to the department of education to be used for accountability purposes as described in section 15-241 and title 15, chapter 9, article 8.

8. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, one million five hundred thousand dollars is appropriated each

1 fiscal year, to be paid in monthly installments, to the failing schools
2 tutoring fund established by section 15-241.

3 9. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
4 subsection, twenty-five million dollars shall be transferred each fiscal year
5 to the state general fund to reimburse the general fund for the cost of the
6 income tax credit allowed by section 43-1072.01.

7 10. After the payment of monies pursuant to paragraphs 1 through 9 of
8 this subsection, the remaining monies collected during the preceding month
9 shall be transferred to the classroom site fund established by section
10 15-977. The monies shall be allocated as follows in the manner prescribed by
11 section 15-977:

12 (a) Forty per cent shall be allocated for teacher compensation based
13 on performance.

14 (b) Twenty per cent shall be allocated for increases in teacher base
15 compensation and employee related expenses.

16 (c) Forty per cent shall be allocated for maintenance and operation
17 purposes.

18 F. The department shall credit the remainder of the monies in the
19 transaction privilege and severance tax clearing account to the state general
20 fund, subject to any distribution required by section 42-5030.01.

21 G. Notwithstanding subsection D of this section, if a court of
22 competent jurisdiction finally determines that tax monies distributed under
23 this section were illegally collected under this article or articles 5 and 8
24 of this chapter and orders the monies to be refunded to the taxpayer, the
25 department shall compute the amount of such monies that was distributed to
26 each city, town and county under this section. The department shall notify
27 the state treasurer of that amount plus the proportionate share of additional
28 allocated costs required to be paid to the taxpayer. Each city's, town's and
29 county's proportionate share of the costs shall be based on the amount of the
30 original tax payment each municipality and county received. Each month the
31 state treasurer shall reduce the amount otherwise distributable to the city,
32 town and county under this section by one thirty-sixth of the total amount to
33 be recovered from the city, town or county until the total amount has been
34 recovered, but the monthly reduction for any city, town or county shall not
35 exceed ten per cent of the full monthly distribution to that entity. The
36 reduction shall begin for the first calendar month after the final
37 disposition of the case and shall continue until the total amount, including
38 interest and costs, has been recovered.

39 H. On receiving a certificate of default from the greater Arizona
40 development authority pursuant to section 41-1554.06 or 41-1554.07 and to the
41 extent not otherwise expressly prohibited by law, the state treasurer shall
42 withhold from the next succeeding distribution of monies pursuant to this
43 section due to the defaulting political subdivision the amount specified in
44 the certificate of default and immediately deposit the amount withheld in the
45 greater Arizona development authority revolving fund. The state treasurer

1 shall continue to withhold and deposit the monies until the greater Arizona
 2 development authority certifies to the state treasurer that the default has
 3 been cured. In no event may the state treasurer withhold any amount that the
 4 defaulting political subdivision certifies to the state treasurer and the
 5 authority as being necessary to make any required deposits then due for the
 6 payment of principal and interest on bonds of the political subdivision that
 7 were issued before the date of the loan repayment agreement or bonds and that
 8 have been secured by a pledge of distributions made pursuant to this section.

9 I. Except as provided by sections 42-5033 and 42-5033.01, the
 10 population of a county, city or town as determined by the most recent United
 11 States decennial census plus any revisions to the decennial census certified
 12 by the United States bureau of the census shall be used as the basis for
 13 apportioning monies pursuant to subsection D of this section.

14 J. Except as otherwise provided by this subsection, on notice from the
 15 department of revenue pursuant to section 42-6010, subsection B, the state
 16 treasurer shall withhold from the distribution of monies pursuant to this
 17 section to the affected city or town the amount of the penalty for business
 18 location municipal tax incentives provided by the city or town to a business
 19 entity that locates a retail business facility in the city or town. The
 20 state treasurer shall continue to withhold monies pursuant to this subsection
 21 until the entire amount of the penalty has been withheld. The state
 22 treasurer shall credit any monies withheld pursuant to this subsection to the
 23 state general fund as provided by subsection D, paragraph 4 of this section.
 24 The state treasurer shall not withhold any amount that the city or town
 25 certifies to the department of revenue and the state treasurer as being
 26 necessary to make any required deposits or payments for debt service on bonds
 27 or other long-term obligations of the city or town that were issued or
 28 incurred before the location incentives provided by the city or town.

29 K. For the purposes of this section, "community college district"
 30 means a community college district that is established pursuant to sections
 31 15-1402 and 15-1403 and that is a political subdivision of this state.

32 Sec. 3. Title 42, chapter 5, article 1, Arizona Revised Statutes, is
 33 amended by adding section 42-5030.02, to read:

34 42-5030.02. Distribution of revenues to state capitol
 35 centennial restoration and economic recapture
 36 districts

37 A. IF ONE OR MORE ECONOMIC RECAPTURE DISTRICTS EXIST PURSUANT TO TITLE
 38 48, CHAPTER 39 AND AFTER THE DELIVERY OF A RESOLUTION OF THE GOVERNING BOARD
 39 REQUESTING PAYMENT, THE STATE TREASURER SHALL PAY EACH MONTH, FROM THE AMOUNT
 40 DESIGNATED AS DISTRIBUTION BASE PURSUANT TO SECTION 42-5029, SUBSECTION D,
 41 THE AMOUNTS DETERMINED UNDER SUBSECTION B OF THIS SECTION TO THE STATE
 42 CAPITOL CENTENNIAL RESTORATION TRUST FUND ESTABLISHED BY SECTION 41-1366, AND
 43 TO THE RESPECTIVE DISTRICTS BEGINNING ON THE DATE IDENTIFIED IN THE
 44 RESOLUTION. THE PAYMENTS SHALL CONTINUE UNTIL THE OBLIGATIONS FOR DEBT
 45 SERVICE ON FINANCIAL INSTRUMENTS EXECUTED BY EACH DISTRICT ARE SATISFIED.

1 B. EACH MONTH THE STATE TREASURER SHALL:

2 1. DETERMINE THE AMOUNT OF NET NEW STATE TRANSACTION PRIVILEGE TAX
3 REVENUES RECEIVED IN THE SECOND PRECEDING CALENDAR MONTH FROM ALL PERSONS
4 LOCATED WITHIN THE DISTRICT BOUNDARIES CONDUCTING BUSINESS UNDER ANY BUSINESS
5 CLASSIFICATION UNDER ARTICLE 2 OF THIS CHAPTER AS COMPARED TO THE REVENUES
6 RECEIVED IN THE SAME MONTH DURING THE TWELVE MONTHS BEFORE THE MONTH IN WHICH
7 THE DISTRICT IS ESTABLISHED.

8 2. PAY ONE-HALF OF THAT AMOUNT, DIVIDED IN EQUAL SHARES, TO THE
9 DISTRICT AND TO THE STATE CAPITOL CENTENNIAL RESTORATION TRUST FUND.

10 3. PAY THE REMAINDER OF THAT AMOUNT TO THE STATE GENERAL FUND.

11 Sec. 4. Title 48, Arizona Revised Statutes, is amended by adding
12 chapter 39, to read:

13 CHAPTER 39

14 STATE CAPITOL CENTENNIAL RESTORATION AND ECONOMIC
15 RECAPTURE DISTRICTS

16 ARTICLE 1. GENERAL PROVISIONS

17 48-6901. Definitions

18 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

19 1. "BOND" MEANS ANY OBLIGATION OF A DISTRICT AUTHORIZED AND ISSUED
20 PURSUANT TO THIS CHAPTER, INCLUDING BONDS, LEASE-PURCHASE AND INSTALLMENT
21 PURCHASE AGREEMENTS, COMMERCIAL PAPERS, CERTIFICATES OF PARTICIPATION IN A
22 LEASE-PURCHASE OR INSTALLMENT PURCHASE AGREEMENT AND OBLIGATIONS THAT ARE
23 AUTHORIZED AND ISSUED TO REFUND OR REFINANCE OBLIGATIONS THAT ARE AUTHORIZED
24 AND ISSUED PURSUANT TO THIS CHAPTER.

25 2. "DISTRICT" MEANS AN ECONOMIC RECAPTURE DISTRICT ESTABLISHED
26 PURSUANT TO THIS CHAPTER.

27 3. "JURISDICTION" MEANS A COUNTY OR AN INCORPORATED CITY OR TOWN.

28 4. "QUALIFIED EXPENSES" MEANS COSTS OF PUBLIC INFRASTRUCTURE, PUBLIC
29 IMPROVEMENTS, UTILITY RELOCATION OR FACILITY IMPROVEMENT, REAL PROPERTY OWNED
30 OR LEASED BY A PUBLIC ENTITY, ENGINEERING AND ARCHITECTURAL SERVICES DIRECTLY
31 RELATED TO THE PROJECT, FINANCING, APPURTENANCES DIRECTLY RELATED TO THE
32 PROJECT, EQUIPMENT AND FURNISHINGS.

33 48-6902. State capitol and economic recapture oversight
34 commission; termination

35 A. THE STATE CAPITOL AND ECONOMIC RECAPTURE OVERSIGHT COMMISSION IS
36 ESTABLISHED ON OCTOBER 1, 2009 TO REVIEW CAPITAL INFRASTRUCTURE IMPROVEMENT
37 PLANS FOR THE RESTORATION AND IMPROVEMENT OF THE STATE CAPITOL BUILDING, AS
38 DEFINED IN SECTION 41-790.

39 B. THE COMMISSION CONSISTS OF THE FOLLOWING MEMBERS:

40 1. THREE MEMBERS WHO ARE APPOINTED BY THE SPEAKER OF THE HOUSE OF
41 REPRESENTATIVES, NOT MORE THAN TWO OF WHOM ARE FROM THE SAME POLITICAL PARTY.

42 2. THREE MEMBERS WHO ARE APPOINTED BY THE PRESIDENT OF THE SENATE, NOT
43 MORE THAN TWO OF WHOM ARE FROM THE SAME POLITICAL PARTY.

1 3. THE GOVERNOR OR THE GOVERNOR'S DESIGNEE.
2 4. THE SECRETARY OF STATE OR THE SECRETARY OF STATE'S DESIGNEE.
3 5. THE STATE TREASURER OR THE TREASURER'S DESIGNEE.
4 6. THE DIRECTOR OF THE DEPARTMENT OF REVENUE.
5 7. THE DIRECTOR OF THE DEPARTMENT OF COMMERCE.
6 8. THE CHAIRMAN OF THE LEGISLATIVE GOVERNMENTAL MALL COMMISSION.
7 9. TWO PUBLIC MEMBERS WHO ARE APPOINTED BY THE GOVERNOR, ONE OF WHOM
8 MUST HAVE EXPERIENCE IN THE CONSTRUCTION, ENGINEERING OR DEVELOPMENT
9 INDUSTRIES AND ONE OF WHOM MUST HAVE EXPERIENCE IN CAPITAL FINANCE OR
10 MUNICIPAL FINANCE.
11 C. ON THE SUBMISSION OF PLANS TO THE COMMISSION PURSUANT TO THIS
12 ARTICLE, THE COMMISSION SHALL MEET WITHIN THIRTY CALENDAR DAYS TO REVIEW THE
13 PLANS.
14 D. THE STATE TREASURER SHALL SUBMIT A REPORT TO THE COMMISSION WITHIN
15 FORTY-FIVE DAYS AFTER THE END OF EACH FISCAL YEAR SHOWING:
16 1. THE INCREASES IN STATE TRANSACTION PRIVILEGE TAX COLLECTIONS IN
17 EACH DISTRICT.
18 2. THE DEPOSITS TO AND WITHDRAWALS FROM THE STATE CAPITOL CENTENNIAL
19 RESTORATION TRUST FUND ESTABLISHED BY SECTION 41-1366.
20 E. A COPY OF THE REPORT SHALL BE TRANSMITTED TO THE JOINT LEGISLATIVE
21 BUDGET COMMITTEE, THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS AND
22 THE SECRETARY OF STATE.
23 F. THE COMMISSION TERMINATES WHEN THE LAST DISTRICT TERMINATES
24 PURSUANT TO SECTION 48-6907.
25 48-6903. Formation of district
26 A. BEGINNING OCTOBER 1, 2009 THROUGH JUNE 30, 2016, ONE OR MORE
27 MUNICIPALITIES OR A COUNTY MAY ESTABLISH A DISTRICT PURSUANT TO THIS ARTICLE
28 ON A FINDING BY THE GOVERNING BODY OF EACH ORGANIZING JURISDICTION THAT THE
29 PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BENEFIT. A COUNTY MAY FORM A
30 DISTRICT THAT INCLUDES AREAS LOCATED IN AN INCORPORATED CITY OR TOWN ONLY
31 WITH THE PARTICIPATION OF THE CITY OR TOWN. THE BOUNDARIES OF THE DISTRICT
32 MUST BE ALIGNED WITH CENSUS BLOCK BOUNDARIES ESTABLISHED BY THE UNITED STATES
33 CENSUS BUREAU AT THE TIME THE DISTRICT IS ESTABLISHED. THE DISTRICT MAY NOT
34 CONTAIN MORE THAN FIFTEEN PER CENT OF THE LAND AREA OF ANY COUNTY, CITY OR
35 TOWN PARTICIPATING IN THE DISTRICT, DETERMINED AS OF THE DATE THE DISTRICT IS
36 ESTABLISHED.
37 B. THE DISTRICT MUST BE FORMED FOR THE PURPOSE OF MAKING QUALIFIED
38 EXPENDITURES FOR FACILITIES DIRECTLY RELATED TO THE PROJECT AND USED FOR
39 TOURISM, SPORTING, CULTURAL, CIVIC MEETING, TRADE SHOW OR CONVENTION EVENTS
40 OR ACTIVITIES OR PUBLIC FACILITIES. ANY PARKING GARAGES AND LOTS,
41 TRANSPORTATION INFRASTRUCTURE, WASTEWATER, UTILITIES, PUBLIC PARKS AND PLAZAS
42 AND COMMUNICATIONS FACILITIES FUNDED BY THE DISTRICT MUST BE DIRECTLY RELATED
43 TO THE PROJECT. ACTUAL CONSTRUCTION OF THE PROJECT MUST BEGIN WITHIN SIXTY
44 MONTHS AFTER THE DATE THE DISTRICT IS ESTABLISHED.

1 C. FOR A DISTRICT FORMED BY AN INDIVIDUAL JURISDICTION, THE GOVERNING
2 BODY:

3 1. SHALL FILE WITH THE CLERK OF THE GOVERNING BODY A PLAN THAT
4 INCLUDES A MAP OF THE PROPOSED DISTRICT, THE LEGAL DESCRIPTION OF THE
5 BOUNDARIES OF THE DISTRICT AND A DESCRIPTION OF THE PROPOSED ELEMENTS TO BE
6 PROVIDED BY THE DISTRICT. THE PLAN SHALL BE FILED WITH THE CLERK OF THE
7 GOVERNING BODY AT LEAST THIRTY CALENDAR DAYS BEFORE A PUBLIC HEARING ON THE
8 PROPOSED DISTRICT.

9 2. SHALL HOLD AT LEAST ONE PUBLIC HEARING, ALLOWING OPPORTUNITY FOR
10 PUBLIC COMMENT, ON THE PROPOSED DISTRICT. THE HEARING MUST BE HELD AT LEAST
11 FOURTEEN DAYS BEFORE ADOPTING AN ORDINANCE OR RESOLUTION ESTABLISHING THE
12 DISTRICT.

13 3. SHALL SUBMIT THE PLAN TO THE STATE CAPITOL AND ECONOMIC RECAPTURE
14 OVERSIGHT COMMISSION PURSUANT TO SECTION 48-6902, SUBSECTION C FOR REVIEW AND
15 COMMENT.

16 4. MAY ADOPT AN ORDINANCE OR RESOLUTION ESTABLISHING THE DISTRICT. THE
17 ORDINANCE OR RESOLUTION SHALL INCLUDE:

18 (a) THE LEGAL DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT.

19 (b) THE INITIAL DATE FOR PAYMENTS.

20 (c) AN APPROXIMATE DATE FOR THE FINANCIAL OBLIGATIONS TO BE SATISFIED.

21 5. SHALL NOTIFY THE STATE TREASURER OF THE DISTRICT'S FORMATION BY
22 CERTIFIED MAIL. THE NOTICE SHALL INCLUDE A COPY OF THE ORDINANCE OR
23 RESOLUTION AND A COPY OF THE PLAN AND MAP REQUIRED BY THIS SUBSECTION.

24 D. FOR A DISTRICT FORMED JOINTLY BY MORE THAN ONE JURISDICTION:

25 1. THE GOVERNING BODY OF EACH JURISDICTION SHALL FILE WITH THE CLERK
26 OF EACH GOVERNING BODY IDENTICAL PLANS THAT INCLUDE A MAP OF THE PROPOSED
27 DISTRICT, THE LEGAL DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT AND A
28 DESCRIPTION OF THE PROPOSED ELEMENTS TO BE PROVIDED BY THE DISTRICT. THE PLAN
29 SHALL BE FILED WITH THE CLERK OF EACH GOVERNING BODY AT LEAST THIRTY CALENDAR
30 DAYS BEFORE THE FIRST PUBLIC HEARING ON THE PROPOSED DISTRICT.

31 2. EACH GOVERNING BODY SHALL HOLD AT LEAST ONE PUBLIC HEARING,
32 ALLOWING OPPORTUNITY FOR PUBLIC COMMENT, ON THE PROPOSED DISTRICT. THE
33 HEARING MUST BE HELD AT LEAST FOURTEEN DAYS BEFORE ADOPTING ANY ORDINANCE OR
34 RESOLUTION ESTABLISHING THE DISTRICT.

35 3. THE GOVERNING BODIES SHALL SUBMIT THE PLAN TO THE STATE CAPITOL AND
36 ECONOMIC RECAPTURE OVERSIGHT COMMISSION PURSUANT TO SECTION 48-6902,
37 SUBSECTION C FOR REVIEW AND COMMENT.

38 4. THE GOVERNING BODIES MAY ADOPT A JOINT ORDINANCE OR RESOLUTION
39 ESTABLISHING THE DISTRICT AND EXECUTE INTERGOVERNMENTAL AGREEMENTS, PURSUANT
40 TO TITLE 11, CHAPTER 7, ARTICLE 3, FOR THE PURPOSE OF ESTABLISHING AND
41 OPERATING THE DISTRICT. THE ORDINANCE OR RESOLUTION SHALL INCLUDE:

42 (a) THE LEGAL DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT.

43 (b) THE INITIAL DATE FOR PAYMENTS.

44 (c) AN APPROXIMATE DATE FOR THE FINANCIAL OBLIGATIONS TO BE SATISFIED.

5. THE CHAIRPERSON OF THE DISTRICT SHALL NOTIFY THE STATE TREASURER OF THE DISTRICT'S FORMATION BY CERTIFIED MAIL. THE NOTICE SHALL INCLUDE A COPY OF THE ORDINANCE OR RESOLUTION AND A COPY OF THE PLAN AND MAP REQUIRED BY THIS SUBSECTION.

6. THE GOVERNING BODIES OF THE PARTICIPATING JURISDICTIONS SHALL SIT JOINTLY AS THE GOVERNING BOARD OF THE DISTRICT AND SHALL CHOOSE AMONG THEM A MEMBER TO SERVE AS THE CHAIRPERSON AND MAY APPOINT THE FINANCIAL OFFICER OF ONE OF THE JURISDICTIONS TO SERVE AS TREASURER. THE GOVERNING BOARD SHALL MEET AT LEAST ONCE EACH FISCAL YEAR.

E. AN ORDINANCE OR RESOLUTION FOR ESTABLISHING A DISTRICT UNDER SUBSECTION C OR D OF THIS SECTION SHALL NOT BE ADOPTED AS AN EMERGENCY MEASURE.

F. IN LIEU OF FORMING A DISTRICT PURSUANT TO SUBSECTION C OR D OF THIS SECTION, ONE OR MORE JURISDICTIONS MAY REFER THE ESTABLISHMENT OF THE DISTRICT TO A VOTE OF THE JURISDICTION'S QUALIFIED ELECTORS AS FOLLOWS:

1. THE GOVERNING BODY OF EACH JURISDICTION SHALL FILE WITH THE CLERK OF EACH GOVERNING BODY IDENTICAL PLANS INCLUDING A MAP OF THE PROPOSED DISTRICT, THE LEGAL DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT AND A DESCRIPTION OF THE PROPOSED ELEMENTS TO BE PROVIDED BY THE DISTRICT. THE PLAN SHALL BE FILED WITH THE CLERK OF EACH GOVERNING BODY AT LEAST THIRTY CALENDAR DAYS BEFORE THE FIRST PUBLIC HEARING ON THE PROPOSED DISTRICT.

2. EACH GOVERNING BODY SHALL HOLD AT LEAST ONE PUBLIC HEARING, ALLOWING OPPORTUNITY FOR PUBLIC COMMENT, ON THE PROPOSED DISTRICT. THE HEARING MUST BE HELD AT LEAST FOURTEEN DAYS BEFORE AN ELECTION PROPOSING THE ESTABLISHMENT OF THE DISTRICT.

3. THE GOVERNING BODIES SHALL SUBMIT THE PLAN TO THE STATE CAPITOL AND ECONOMIC RECAPTURE OVERSIGHT COMMISSION PURSUANT TO SECTION 48-6902, SUBSECTION C FOR REVIEW AND COMMENT.

4. THE ELECTION SHALL BE HELD IN THE PARTICIPATING JURISDICTIONS ON ONE OF THE CONSOLIDATED ELECTION DATES PRESCRIBED BY SECTION 16-204. A MAJORITY OF QUALIFIED ELECTORS CASTING AFFIRMATIVE VOTES ON THE PROPOSITION IN EACH PARTICIPATING JURISDICTION CONSTITUTES APPROVAL OF THE PROPOSITION. IF A MAJORITY OF ELECTORS IN ANY JURISDICTION DISAPPROVES THE PROPOSITION, THE PROPOSITION IS CONSIDERED TO HAVE FAILED.

5. AFTER THE RESULTS OF AN ELECTION APPROVING THE FORMATION OF THE DISTRICT ARE CERTIFIED, THE CHAIRPERSON OF THE DISTRICT SHALL NOTIFY THE STATE TREASURER OF THE DISTRICT'S FORMATION BY CERTIFIED MAIL. THE NOTICE SHALL INCLUDE A COPY OF THE CERTIFIED ELECTION RESULTS AND A COPY OF THE PLAN AND MAP REQUIRED BY THIS SUBSECTION.

6. THE GOVERNING BODIES OF THE PARTICIPATING JURISDICTIONS SHALL SIT JOINTLY AS THE GOVERNING BOARD OF THE DISTRICT AND SHALL CHOOSE AMONG THEM A MEMBER TO SERVE AS THE CHAIRPERSON AND MAY APPOINT THE FINANCIAL OFFICER OF ONE OF THE JURISDICTIONS TO SERVE AS TREASURER. THE GOVERNING BOARD SHALL MEET AT LEAST ONCE EACH FISCAL YEAR.

1 48-6904. Powers: open meeting: public records: conflicts of
2 interest

3 A. THE GOVERNING BOARD, ON BEHALF OF THE DISTRICT, MAY:

4 1. SUE AND BE SUED.

5 2. ENTER INTO CONTRACTS AND INTERGOVERNMENTAL AGREEMENTS, PURSUANT TO
6 TITLE 11, CHAPTER 7, ARTICLE 3, AS NECESSARY TO ADMINISTER AND OPERATE THE
7 DISTRICT AND ANY PROPERTY OWNED BY OR UNDER THE JURISDICTION OF THE DISTRICT.

8 3. CONTRACT FOR MANAGEMENT PERSONNEL AND PROFESSIONAL SERVICE, AND
9 PRESCRIBE THE TERMS AND CONDITIONS OF THEIR CONTRACTS AS NECESSARY TO CARRY
10 OUT THE PURPOSES OF THE DISTRICT.

11 4. ACQUIRE BY ANY LAWFUL MEANS AND OPERATE, MAINTAIN, ENCUMBER AND
12 DISPOSE OF REAL AND PERSONAL PROPERTY AND INTERESTS IN PROPERTY.

13 5. RETAIN LEGAL COUNSEL AND OTHER PROFESSIONAL CONSULTANTS AS
14 NECESSARY TO CARRY OUT THE PURPOSES OF THE DISTRICT.

15 6. USE REVENUES PAID TO THE DISTRICT PURSUANT TO SECTION 42-5030.02
16 AND REVENUES THE DISTRICT MAY RECEIVE FROM OTHER SOURCES FOR THE PURPOSES SET
17 FORTH IN THIS CHAPTER.

18 7. ENTER INTO AGREEMENTS WITH DEVELOPERS, CONTRACTORS, TENANTS AND
19 OTHER USERS OF THE DISTRICT'S FACILITIES AS CONSIDERED TO BE APPROPRIATE.

20 8. PLEDGE ALL OR PART OF THE REVENUES PAID TO THE DISTRICT PURSUANT TO
21 SECTION 42-5030.02 TO SECURE THE DISTRICT'S BONDS AND OTHER FINANCIAL
22 OBLIGATIONS ISSUED OR INCURRED UNDER THIS CHAPTER FOR THE CONSTRUCTION OF ALL
23 OR PART OF THE ELEMENTS OF THE DISTRICT.

24 9. PROVIDE FOR THE USE, MAINTENANCE AND OPERATION OF THE PROPERTIES
25 AND INTERESTS CONTROLLED BY THE DISTRICT.

26 10. KEEP AND MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL
27 PROCEEDINGS.

28 B. THE PROCEEDINGS OF THE GOVERNING BOARD ARE OPEN TO THE PUBLIC AS
29 REQUIRED BY TITLE 38, CHAPTER 3, ARTICLE 3.1.

30 C. THE RECORDS OF THE DISTRICT ARE PUBLIC RECORDS AS PROVIDED BY TITLE
31 39, CHAPTER 1.

32 D. THE DIRECTORS, OFFICERS AND EMPLOYEES OF THE DISTRICT ARE SUBJECT
33 TO TITLE 38, CHAPTER 3, ARTICLE 8 RELATING TO CONFLICTS OF INTEREST.

34 48-6905. Annual budget

35 A. ON OR BEFORE JUNE 30 OF EACH YEAR, THE GOVERNING BOARD SHALL HOLD A
36 PUBLIC MEETING TO ADOPT A BUDGET FOR THE FOLLOWING FISCAL YEAR THAT INCLUDES:

37 1. RECEIPTS DURING THE PAST FISCAL YEAR.

38 2. EXPENDITURES DURING THE PAST FISCAL YEAR.

39 3. ESTIMATES OF AMOUNTS NECESSARY FOR EXPENSES DURING THE FOLLOWING
40 FISCAL YEAR, INCLUDING AMOUNTS PROPOSED FOR SERVICING THE DEBT INCURRED BY
41 THE DISTRICT AND THE COSTS OF MAINTAINING, OPERATING AND MANAGING THE
42 DISTRICT'S FACILITIES.

43 4. ANTICIPATED REVENUE TO THE DISTRICT IN THE FOLLOWING FISCAL YEAR.

44 5. A COMPLETE ASSET AND LIABILITY STATEMENT.

1 6. CASH ON HAND AS OF THE DATE THE BUDGET IS ADOPTED AND THE
2 ANTICIPATED BALANCE AT THE END OF THE CURRENT FISCAL YEAR.

3 7. AN ITEMIZED STATEMENT OF COMMITMENTS, RESERVES AND ANTICIPATED
4 OBLIGATIONS FOR THE FOLLOWING FISCAL YEAR.

5 8. FOR ANY CURRENT CAPITAL CONSTRUCTION PROJECTS, THE DATE THE
6 CONSTRUCTION BEGAN AND THE ESTIMATED DATE OF COMPLETION.

7 B. THE GOVERNING BOARD SHALL SUBMIT A COPY OF THE BUDGET TO THE CLERK
8 OF THE APPROPRIATE COUNTY BOARD OF SUPERVISORS, THE CLERK OF THE GOVERNING
9 BODIES OF EACH PARTICIPATING JURISDICTION AND THE STATE CAPITOL AND ECONOMIC
10 RECAPTURE OVERSIGHT COMMISSION.

11 C. THE BOARD MAY AMEND THE BUDGET ON A FINDING OF GOOD CAUSE.

12 48-6906. District bonds

13 A. THE DISTRICT, ON THE AFFIRMATIVE VOTE OF THE GOVERNING BOARD, MAY:

14 1. ISSUE NEGOTIABLE BONDS IN A PRINCIPAL AMOUNT AS IN ITS OPINION IS
15 NECESSARY TO PROVIDE SUFFICIENT MONIES FOR QUALIFIED EXPENSES, MAINTAINING
16 SUFFICIENT RESERVES TO SECURE THE BONDS, TO PAY THE NECESSARY COSTS OF
17 ISSUING, SELLING AND REDEEMING THE BONDS AND TO PAY THE OTHER EXPENDITURES OF
18 THE DISTRICT INCIDENTAL TO AND NECESSARY AND CONVENIENT TO CARRY OUT THE
19 PURPOSES OF THIS CHAPTER.

20 2. REFUND ANY BONDS ISSUED, WHETHER OR NOT THE BONDS ARE SUBJECT TO
21 REDEMPTION AT THAT TIME. THE BOARD MAY PROVIDE FOR INVESTING AND HOLDING THE
22 PROCEEDS OF THE REFUNDING BONDS IN TRUST FOR THE BENEFIT OF THE HOLDERS OF
23 THE BONDS BEING REFUNDED.

24 B. THIS STATE AND POLITICAL SUBDIVISIONS OF THIS STATE OTHER THAN THE
25 DISTRICT ARE NOT LIABLE FOR ANY FINANCIAL OR OTHER OBLIGATIONS OF THE
26 DISTRICT, AND THE FINANCIAL AND OTHER OBLIGATIONS DO NOT CONSTITUTE A DEBT OR
27 LIABILITY OF THIS STATE OR ANY POLITICAL SUBDIVISION OF THIS STATE, OTHER
28 THAN THE DISTRICT.

29 C. THE GOVERNING BOARD SHALL AUTHORIZE THE BONDS BY RESOLUTION. THE
30 RESOLUTION SHALL PRESCRIBE:

31 1. THE MAXIMUM RATE OR RATES OF INTEREST AND THE MAXIMUM DENOMINATIONS
32 OF THE BONDS.

33 2. THE ESTIMATED DATE OR DATES OF THE BONDS AND THEIR MATURITY, WHICH
34 MUST OCCUR BEFORE THE TERMINATION OF THE DISTRICT PURSUANT TO SECTION
35 48-6907.

36 3. THE FORM OF THE BONDS.

37 4. THE MANNER OF EXECUTING THE BONDS.

38 5. THE MEDIUM AND PLACE OF PAYMENT.

39 6. THE TERMS OF REDEMPTION, WHICH MAY PROVIDE FOR A PREMIUM FOR EARLY
40 REDEMPTION.

41 D. THE BONDS SHALL BE SOLD AT PUBLIC OR PRIVATE SALE OR THROUGH AN
42 ONLINE BIDDING PROCESS AT THE PRICE AND ON THE TERMS DETERMINED BY THE BOARD.
43 IF BONDS ARE SOLD THROUGH AN ONLINE BIDDING PROCESS, BIDS FOR THE BONDS THAT
44 ARE ENTERED INTO THE SYSTEM MAY BE CONCEALED UNTIL A SPECIFIED TIME OR
45 DISCLOSED IN THE ONLINE BIDDING PROCESS, MAY BE SUBJECT TO IMPROVEMENT IN

1 FAVOR OF THE DISTRICT BEFORE A SPECIFIED TIME AND MAY BE FOR AN ENTIRE ISSUE
2 OF BONDS OR SPECIFIED MATURITIES ACCORDING TO THE MANNER, TERMS AND NOTICE
3 PROVISIONS ORDERED BY THE BOARD. FOR THE PURPOSES OF THIS SUBSECTION,
4 "ONLINE BIDDING PROCESS" MEANS A PROCUREMENT PROCESS IN WHICH THE GOVERNING
5 BOARD RECEIVES BIDS ELECTRONICALLY OVER THE INTERNET IN A REAL-TIME,
6 COMPETITIVE BIDDING EVENT.

7 E. TO SECURE THE PRINCIPAL AND INTEREST ON THE BONDS, THE GOVERNING
8 BOARD BY RESOLUTION MAY:

9 1. DIVIDE THE FUNDS OF THE DISTRICT INTO ANY NUMBER OF ACCOUNTS OR
10 SUBACCOUNTS CONSIDERED TO BE NECESSARY TO SECURE BONDS OR OTHER OBLIGATIONS
11 OF THE DISTRICT. ANY OF THE ACCOUNTS OR SUBACCOUNTS MAY BE PLEDGED OR
12 ASSIGNED TO THE BONDHOLDERS AS SECURITY FOR THE BONDS OR TO A TRUSTEE WHO MAY
13 BE APPOINTED TO ACT ON BEHALF OF THE BONDHOLDERS.

14 2. PROVIDE THAT BONDS ISSUED UNDER THIS SECTION MAY BE SECURED BY A
15 FIRST LIEN ON ALL OR PART OF THE MONIES PAID TO THE DISTRICT OR INTO ANY
16 ACCOUNT OR SUBACCOUNT OF THE DISTRICT.

17 3. PLEDGE OR ASSIGN TO OR IN TRUST FOR THE BENEFIT OF BONDHOLDERS ANY
18 PART OF THE MONIES IN AN ACCOUNT OR SUBACCOUNT AS IS NECESSARY TO PAY AND
19 SECURE PAYMENT OF THE PRINCIPAL OF, OR INTEREST AND PREMIUM, IF ANY, ON, THE
20 BONDS AS THEY COME DUE.

21 4. ESTABLISH PRIORITIES AMONG BONDHOLDERS BASED ON CRITERIA ADOPTED BY
22 THE GOVERNING BOARD.

23 5. SET ASIDE, REGULATE AND DISPOSE OF RESERVES AND SINKING ACCOUNTS.

24 6. PROVIDE THAT THE PROCEEDS FROM THE SALE OF THE BONDS OR FROM ANY
25 OTHER REVENUES OF THE DISTRICT MAY BE USED TO FULLY OR PARTLY FUND ANY
26 RESERVES OR SINKING FUNDS ESTABLISHED BY THE BOND RESOLUTION.

27 7. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT
28 WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS THE HOLDERS
29 OF WHICH MUST CONSENT TO AND THE MANNER IN WHICH CONSENT MAY BE GIVEN.

30 8. PROVIDE FOR PAYMENT, FROM THE PROCEEDS OF THE SALE OF THE BONDS OR
31 FROM OTHER DISTRICT INCOME OR REVENUES, OF ALL LEGAL AND FINANCIAL EXPENSES
32 INCURRED BY THE BOARD IN ISSUING, SELLING, DELIVERING AND PAYING THE BONDS
33 AND ENGINEERING AND ARCHITECTURAL EXPENSES INCURRED BY THE GOVERNING BOARD IN
34 DESIGNING AND CONSTRUCTING THE DISTRICT'S FACILITIES.

35 9. PROVIDE FOR PAYMENT OF ALL FEES, PREMIUMS, CHARGES OR COSTS
36 PERTAINING TO BOND INSURANCE, CREDIT ENHANCEMENT, LIQUIDITY ENHANCEMENT OR
37 ANY OTHER FACILITY OR SECURITY DEEMED NECESSARY BY THE GOVERNING BOARD TO
38 BETTER SECURE THE BONDS.

39 10. PROVIDE FOR THE SERVICES OF TRUSTEES, COTRUSTEES, AGENTS,
40 CONSULTANTS AND OTHER SPECIALIZED SERVICES WITH RESPECT TO THE BONDS.

41 11. PLACE ANY RESTRICTIONS ON REINVESTMENT YIELD ON THE BONDS OR ON ANY
42 MONIES PLEDGED TO PAY THE BONDS IF NECESSARY TO COMPLY WITH FEDERAL INCOME
43 TAX LAWS AND REGULATIONS TO GAIN ANY FEDERAL TAX BENEFITS AVAILABLE WITH
44 RESPECT TO THE BONDS.

1 12. PAY ANY REBATES NECESSARY TO PRESERVE THE BONDS' TAX EXEMPT STATUS
2 UNDER FEDERAL INCOME TAX LAWS.

3 13. DO ANY OTHER MATTERS WHICH IN ANY WAY MAY AFFECT THE SECURITY AND
4 PROTECTION OF THE BONDS.

5 F. ANY PLEDGE MADE UNDER THIS ARTICLE IS VALID AND BINDING FROM THE
6 TIME WHEN THE PLEDGE IS MADE. THE MONIES SO PLEDGED AND RECEIVED BY THE
7 DISTRICT TREASURER TO BE PLACED IN DISTRICT ACCOUNTS ARE IMMEDIATELY SUBJECT
8 TO THE LIEN OF THE PLEDGE WITHOUT ANY FUTURE PHYSICAL DELIVERY OR FURTHER
9 ACT, AND ANY SUCH LIEN OF THE PLEDGE IS VALID OR BINDING AGAINST ALL PARTIES
10 HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT OR OTHERWISE AGAINST THE
11 GOVERNING BOARD REGARDLESS OF WHETHER THE PARTIES HAVE NOTICE OF THE LIEN.
12 THE OFFICIAL RESOLUTION OR TRUST INDENTURE OR ANY INSTRUMENT BY WHICH THIS
13 PLEDGE IS CREATED, WHEN PLACED IN THE GOVERNING BOARD'S OFFICIAL RECORDS, IS
14 NOTICE TO ALL CONCERNED OF THE CREATION OF THE PLEDGE, AND THOSE INSTRUMENTS
15 NEED NOT BE RECORDED IN ANY OTHER PLACE.

16 G. NEITHER THE MEMBERS OF THE GOVERNING BOARD NOR ANY PERSON EXECUTING
17 THE BONDS IS PERSONALLY LIABLE FOR THE PAYMENT OF THE BONDS. THE BONDS ARE
18 VALID AND BINDING OBLIGATIONS NOTWITHSTANDING THAT BEFORE THE DELIVERY OF THE
19 BONDS ANY OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE BONDS CEASE TO BE
20 MEMBERS OF THE GOVERNING BOARD. FROM AND AFTER THE SALE AND DELIVERY OF THE
21 BONDS, THEY ARE INCONTESTABLE BY THE GOVERNING BOARD.

22 H. THE GOVERNING BOARD, OUT OF ANY AVAILABLE MONIES, MAY PURCHASE
23 BONDS, WHICH MAY THEREUPON BE CANCELED.

24 I. THE GOVERNING BOARD MAY SUBMIT ANY BONDS ISSUED UNDER THIS ARTICLE
25 TO THE ATTORNEY GENERAL AFTER ALL PROCEEDINGS FOR THEIR AUTHORIZATION HAVE
26 BEEN COMPLETED. ON SUBMISSION THE ATTORNEY GENERAL SHALL EXAMINE AND PASS ON
27 THE VALIDITY OF THE BONDS AND THE REGULARITY OF THE PROCEEDINGS. IF THE
28 PROCEEDINGS COMPLY WITH THIS ARTICLE, AND IF THE ATTORNEY GENERAL DETERMINES
29 THAT, WHEN DELIVERED AND PAID FOR, THE BONDS WILL CONSTITUTE BINDING AND
30 LEGAL OBLIGATIONS OF THE DISTRICT, THE ATTORNEY GENERAL SHALL CERTIFY ON THE
31 BACK OF EACH BOND, IN SUBSTANCE, THAT IT IS ISSUED ACCORDING TO THE
32 CONSTITUTION AND LAWS OF THIS STATE.

33 J. DISTRICT BONDS ISSUED UNDER THIS ARTICLE ARE SECURITIES IN WHICH
34 PUBLIC OFFICERS AND BODIES OF THIS STATE AND OF MUNICIPALITIES AND POLITICAL
35 SUBDIVISIONS OF THIS STATE, ALL COMPANIES, ASSOCIATIONS AND OTHER PERSONS
36 CARRYING ON AN INSURANCE BUSINESS, ALL FINANCIAL INSTITUTIONS, INVESTMENT
37 COMPANIES AND OTHER PERSONS CARRYING ON A BANKING BUSINESS, ALL FIDUCIARIES
38 AND ALL OTHER PERSONS WHO ARE AUTHORIZED TO INVEST IN OBLIGATIONS OF THE
39 COUNTY MAY PROPERLY AND LAWFULLY INVEST. THE BONDS ARE ALSO SECURITIES WHICH
40 MAY BE DEPOSITED WITH PUBLIC OFFICERS OR BODIES OF THIS STATE AND
41 MUNICIPALITIES AND POLITICAL SUBDIVISIONS OF THIS STATE FOR PURPOSES WHICH
42 REQUIRE THE DEPOSIT OF STATE OR COUNTY BONDS OR OBLIGATIONS.

43 48-6907. Termination of district

44 A. EACH DISTRICT ESTABLISHED PURSUANT TO THIS CHAPTER MUST TERMINATE
45 ON OR BEFORE JUNE 30, 2050.

1 B. A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS MAY PROPOSE
2 THAT THE DISTRICT BE DISSOLVED. AFTER A HEARING, THE BOARD SHALL ADOPT BY
3 RESOLUTION A PLAN OF TERMINATION TO BE EXECUTED WITHIN A STATED PERIOD OF
4 TIME BEFORE JUNE 30, 2050.
5 C. ON TERMINATION, ALL ASSETS AND UNEXPENDED MONIES OF THE DISTRICT
6 MUST BE TRANSFERRED TO THE PARTICIPATING JURISDICTIONS.